

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

In Re:

William J. Focazio

Case No. 19-10880 (VFP)

Allstate New Jersey Insurance Company, et al., v.
Focazio

Adv. Pro. No. 20-01004 (VFP)

William Focazio, MD, P.A. and Endo Surgical
Center of North Jersey, P.C. (Jointly Administered)

Case No. 18-10752 (VFP)

NOTICE OF PROPOSED COMPROMISE or SETTLEMENT OF CONTROVERSY

William J. Focazio (the “Debtor”), Chapter 11 Debtor proposes a compromise, or to settle a claim and action as described below. If you object to the settlement or compromise, you must file a written objection with the Clerk of the United States Bankruptcy Court, and serve it on the person named below by September 17, 2021.

Address of the Clerk:	United States Bankruptcy Court 50 Walnut Street Newark, New Jersey 07102
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If an objection is filed, a hearing will be held before the Honorable Vincent F. Papalia, U.S.B.J., on September 21, 2021, at 11:00 a.m. Parties wishing to participate in the Hearing must contact CourtSolutions via website or call 917-746-7476 to schedule an appearance no less than twenty-four hours before the hearing.

<p>Nature of action: Allstate New Jersey Insurance Company, et al. (collectively, “Allstate”) filed an adversary complaint against the Debtor to object to discharge (the “Complaint”). On February 25, 2021, Allstate entered into a settlement agreement with the Debtor, William Focazio MD, PA (“Focazio MD PA”), Endo Surgical Center of North Jersey, P.C. (“Endo Surgical”), and RJ Capital Med, LLC (“RJ Capital”). On March 4, 2021, the court approved the settlement. Unfortunately, RJ Capital failed to abide by the settlement. After many months, the Debtor and related parties obtained a new funding source. On August 31, 2021, the Debtor, Focazio MD PA, Endo Surgical, and Endo ASC Partners, LLC (“Endo ASC”), entered into an amended settlement and mutual release agreement (the “Amended Agreement”). The Debtor, Focazio MD PA, Endo Surgical and Endo ASC are referred to as the Focazio Parties.</p>

<p>Pertinent terms of settlement: After various negotiations by and among the Debtor, Allstate, Focazio MD PA, Endo Surgical, and Endo ASC, the parties wish to resolve any and all claims in the Complaint. The terms of the Amended Agreement are as follows:</p>
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| <ul style="list-style-type: none">• Allstate will forebear from exercising its rights against the Debtors provided the Focazio Parties fully comply with all of the terms set forth below and any terms contained in the Settlement Agreement that have not been modified by this agreement. This agreement to forbear shall not impede Allstate’s rights to seek payment of the Settlement Amount plus interest and legal fees against RJ Capital. The Debtors shall fully cooperate with Allstate in its collection efforts against RJ Capital for the amounts due and owing to Allstate by RJ Capital in the Settlement Agreement.• The Focazio Parties agree to pay Allstate \$625,000 (the “<i>Settlement Amount</i>”) in the following installments: (a) \$250,000 within seven (7) days of entry of the court’s order approving the amended |
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plan; (b) \$125,000 within ninety (90) days from the date of the order approving the amended plan (funds to be held in escrow by Debtors' counsel and to be release directly to Allstate); (c) \$125,000 within one hundred and eighty (180) days of the date of the order approving the amended plan; and (d) \$125,000 within two hundred and seventy (270) days from the date of the order approving the amended plan. The Focazio Parties shall have a seven (7) day grace period to pay each installment of the Settlement Amount before Allstate may declare default. All payments shall be made by check payable to Allstate New Jersey Insurance Company and delivered to Giordano, Halleran & Ciesla, P.C., 125 Half Mile Rd., Suite 300, Red Bank, NJ 07701, Attn: Donald F. Campbell, Jr.

- The Focazio Parties agree that the Debtors and/or any other entity that Focazio owns now or in the future, will not make any claims against Allstate or any of its insured claimants that would otherwise be covered by Allstate PIP policies during the three (3) year period from the date of entry of order approving the Debtors' amended plan (the "*Moratorium Period*"). The Focazio Parties further agree that they and/or any other person or entity that may hereafter acquire, lease or otherwise operate an ambulatory surgery center or renders anesthesia services therein (collectively, the "*ASC Services*") at 999 Clifton Avenue, Clifton NJ (the "*Clifton Property*") will not make any claims against Allstate or any of its insured claimants that would otherwise be covered by Allstate PIP policies for ASC Services rendered at the Clifton Property during the Moratorium Period. If the Focazio Parties have not breached this Agreement, upon completion of the Moratorium Period and receipt of the Settlement Amount, Allstate shall vacate the Judgment and release any and all claims against the Focazio Parties.

Objections must be served on, and requests for additional information directed to:

Name: Anthony Sodono, III, Esq., McManimon, Scotland & Baumann, LLC
Address: 75 Livingston Avenue, Second Floor, Roseland, NJ 07068
Telephone No.: (973) 622-1800

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